



Department of Health & Human Services
Centers for Medicare & Medicaid Services
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519

CENTERS for MEDICARE & MEDICAID SERVICES

Refer to: MPC5

December 29, 2003

Judith E. Frye
Associate Administrator for Long-Term Support
Division of Disability and Elder Services
Wisconsin Department of Health & Family Services
1 West Wilson Street
P.O. Box 309
Madison, WI 53701-0309

Dear Ms. Frye:

I am pleased to inform you that the Centers for Medicare & Medicaid Services (CMS) is approving Wisconsin's request for two managed care waivers which are part of the Family Care program: one for Fond du Lac, LaCrosse, Portage, and Richland Counties, CMS Control Number WI-07.ROI, and the other for Milwaukee County, CMS Control Number WI-08.ROI. Each waiver is authorized under Sections 1915(b)(1), (2), (3), and (4) of the Social Security Act (the Act). These approvals provide for the waivers of Section 1902(a)(1) Statewide, 1902(a)(10)(B) Comparability of Services, 1902(a)(23) Freedom of Choice, and 1902(a)(4) Choice of Two Prepaid Inpatient Health Plans or Prepaid Outpatient Health Plans. Although Family Care will be operated as a concurrent *1915(b)(1)(c)* waiver, these waiver approvals apply only to the 1915(b) waiver portions of the Family Care program.

This decision is based on the submitted documentation. The documentation shows that Family Care is consistent with the purposes of the Medicaid program, will not impair access to care and services of adequate quality, will not restrict emergency services or family planning services, will maintain quality of care, and will be a cost-effective means of providing Medicaid services to Wisconsin Medicaid recipients.

Approval of this waiver covers the period from January 1, 2004 through December 31, 2005. Wisconsin may request that this authority be renewed and should submit its request for renewal 90 to 120 days in advance of the expiration date.

Please note that waiver approval is contingent on the following terms and conditions:

1. The State must arrange for independent assessments of the 1915(b)-waiver program with respect to access to care, choice of individual providers, quality of services, and cost effectiveness. The independent assessments must be submitted to CMS no later than three months prior to the expiration of the waivers as part of the renewal application.

2. The State must undertake activities to promote consumer choice. Activities should include a formal plan to reduce barriers to competition and establish an environment that would foster a fair and competitive market. The State should submit the plan to the CMS Regional Office no later than April 1, 2004.
3. The State must receive CMS prior approval of all 191 5(b)(3) categories of funds. Prior to the use and distribution of 191 5(b)(3) funds, the State will submit documentation regarding the additional services provided to enrollees that are paid for out of cost savings resulting from the use of more cost-effective medical care. The savings must be expended for the benefit of the enrolled Medicaid beneficiary. The additional services to be provided under the waiver, which are not covered under the State Plan, must be for medical or health-related care, or other services as described in 42 CFR 440.

The approval of these waivers is subject to our receipt of your written acceptance of this approval with the above terms and conditions by January 31, 2004.

I commend the State on the accomplishments under the Family Care program. If you have questions on this renewal, please contact Cynthia Garraway at (312) 353-8583.

Sincerely,

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Cheryl A. Harris
Associate Regional Administrator
Division of Medicaid and Children's Health

cc:

Theresa Pratt, CMS
Mark Moody, Administrator, Division of Health Care Financing
Charles Jones, Division of Disability and Elder Services